



Dave Wilmesher  
Vice President  
Northeast Sales Area  
910-741-1281  
Fax: 910-741-4606

**SENT VIA E-MAIL**

December 19, 1995

R. C. Farmer  
R. F. Kane  
J. R. Loftin  
J. M. Piscitelli  
L. T. Poole  
P. E. Schmidt  
M. A. Young

Subject: **JANUARY, 1996 - NEW YEAR RETAIL PROGRAM**

As each of you are aware, January is traditionally a slow month for our business largely due to promotional activity peaking in 4th Quarter and this momentum not carrying over into the next year. Each of you will shortly be receiving FSC letter 191-A, which outlines our 1st Quarter Competitive Promotional Response and Pricing Strategies. These strategies should drive your 1st Quarter activities; however, due to our lack of a planned promotion in January, we must maximize our promotional presence at retail during the first month of the New Year. For these reasons, the following plan should be put into action in your Region immediately:

**New Year Retail Program**

**Direct Accounts**

- Sell/order extra product to support prebooks/orders for promotional activity.
- Review Direct Account velocity reports, adjust inventory "build-to" figures to reduce out of stocks on priority brands.
- Leverage Partner's share increases to sell accounts on adjusting RJR's percentage of their inventory to accommodate our larger share of their business.

51860 7166

Page Two

**Chain/Retail Outlets**

- Sell - Telemarket/prebook extra product to increase retail inventory levels to support increased RJR share, and our promotional activities. Orders should ship to retail starting the first week in January.
- While 1996 Gap Strategy calls for approximately 1 weeks worth of P.V. each month, for us to get the impact of a January promotion you are authorized to promote 2 weeks worth of inventory in January utilizing 1st Quarter guidelines.
- Attempt to secure temporary displays to increase exposure of the promoted product.
- Utilize temporary P.O.S. with the "net promoted price".

\* Guidelines for brands to be promoted by outlet type and the authorized values are contained in FSC<sup>191</sup> referred to above.

Funding for this promotion should follow the below listed priority order for Full Price:

1. Remaining 1995 Co-Marketing funds.
2. 1st Quarter 1996 Partner's Accrual funds.
3. 1996 Gap Defense funds.

For Savings you should utilize your 1996 Ceiling Strategy funding.

We will monitor results here on a weekly basis, so no additional manual tracking will be required at the Regional level.

**Let's get off to a great start in 1996, by focusing on selling extra product, and executing our Gap and Ceiling Strategies at retail!**

**Dave**

0199DW/di

51860 7167